

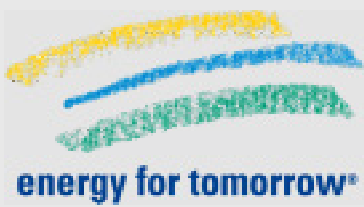
***Ninth National Green Power Marketing Conference
"Marketing Green Power to Non-Residential Customers:
What Have We Learned ?"***

**"Don't Neglect Small Business
Customers"**

**Jeff Anthony
Manager – Renewable Energy Strategy
We Energies**

October 4, 2004





Background / History

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■ We Energies

- Largest electric/gas utility in Wisconsin (formerly Wisconsin Electric / Wisconsin Gas)

■ Green Pricing program “Energy For Tomorrow” introduced in 1996 with three goals:

- Demonstrate environmental stewardship
- Provide experience in “customer choice”
- Present “green pricing” as a market-based option for customers

■ Consistently an NREL “Top Ten” Program



Current Status

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- Have been around 11,000 residential customers for past three years
 - Slight loss of customers in 2003
 - Budget cutbacks in marketing & advertising
 - For 2005 - looking to revamp and overhaul marketing
- Attention shifting to Business Customers
 - Hosted “Green Power Workshop” with CRS and US EPA in 2003
 - Started working with our largest C&I customers in late 2003 and full efforts in gear by Earth Day 2004
 - Small / Medium business campaigns in late 2003 / early 2004

2004 Goals - Business

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- Increase Business Customer participation in EFT over the next 2 years
 - Increase megawatt-hours sold through EFT
 - EPA Green Power Partners
 - Working with Account Managers to design Sales Strategy and tactics to use with customer segments
- Performance Measures
 - Increase participation from 98 to 250 by end of 2004
 - Sell 30,000 MWh to Business Customers in 2004

■ Research Plan developed

- First step - focus group with existing business customers -- messages & motivation
- Second step - focus groups with prospective customers -- motivators & messages

■ Prospective Customer Focus Groups

- | | |
|-------------------------|-------------------------------|
| ■ Medium | ■ Real Estate / Property mgmt |
| ■ Retail / Restaurant | ■ Religious / Non-Profit |
| ■ Professional Services | ■ Health Care / Dental |

Message Testing

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- Tested six messages on all six focus groups:
 - Environmental
 - “Easy to do Business With”
 - “Preserve the Future”
 - “Innovation” (technology)
 - Price Stability
 - “Green Appeal”
- Results not quite what we expected

- Campaign developed and launched at end of 2003
 - Total number of leads: 10,000
 - Expected number of contacts: 3,800
 - Projected new enrollments: 112
- Direct Mailing
 - Full brochure
 - Followed by postcard
- Phone Sales Contact

- Projected enrollments: 112
- Actual enrollments: 191 through first phase
 - second phase: drop direct mail tie-in
 - averaging 2 - 10 sign-ups per day
- Final results: 356 enrolled
- Anecdotal
 - cost still major reason to not enroll
 - awareness is key, many would have enrolled years ago if they had known of the program
 - many business owners signed up their residences



Key Insights

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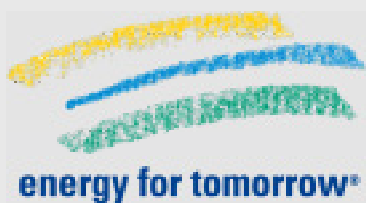
- SIC Codes were not indicative of sign-ups
- Owner attitude/beliefs was the key
- Light energy users more likely to sign-up
- Direct mail was not effective; telemarketing was
- Relationship with telemarketer was a strong plus
- Other insights are evolving as we continue to work with small business customers once enrolled for some time



Future EFT Efforts

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- EFT “product” has not changed since introduced in 1996; original intent to have multiple products
- Rate reduction
- Power Supply shift
 - Away from Biomass / LFG
 - Will shift to 75% Wind over two years
 - Introduce up to 1% Solar
- Wind-Only Product for Business Customers
- “Green Tags”

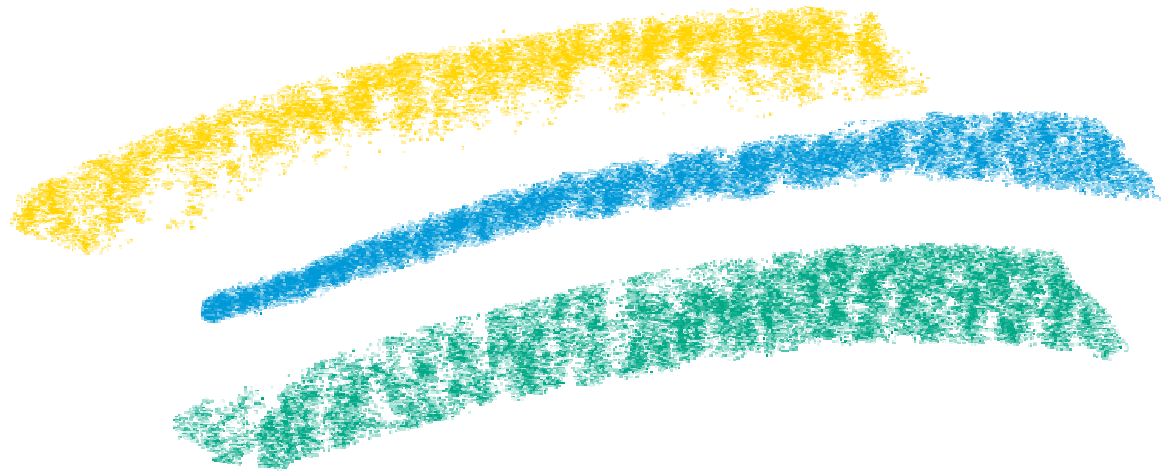


Future Small Biz Efforts

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- Identify target business markets / locations / owners – develop integrated marketing plan
- Build relationships / cross-promotion – develop a “business community” – explore affinity card concept
- Consistent and constant exposure
- Permission marketing





energy for tomorrow®

renewable energy program

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